ALLENTOWN-BETHLEHEM MSA ALTOONA MSA BEAVER COUNTY PMSA ERIE MSA HARRISBURG-LEBANON-CARLISLE MSA JOHNSTOWN MSA LANCASTER MSA PHILADELPHIA PMSA PITTSBURGH PMSA READING MSA SCRANTON /WILKES-BARRE MSA SHARON MSA STATE COLLEGE MSA WILLIAMSPORT MSA YORK MSA

ISSUED: September 1991

# PENNSYLVANIA'S

# LABOR FORCE

..... *A Monthly Statistical Analysis*

## AUGUST 1991 HIGHLIGHTS

- **Pennsylvania's joblessness increased in August, as the statewide rate of unemployment rose to 7.3 percent, seasonally adjusted, from 7.0 percent in July.**
- **Nonfarm jobs increased by 6,200 in August to a total of 5,126,900. They were about 45,300 below their level of August 1990.**

### In July 1991 . . .

- **Average weekly earnings of production workers in Pennsylvania manufacturing industries rose to $463.45, as the average workweek decreased 0.2 hour but average hourly pay rose 6 cents.**
- **The total number of initial claims and weeks claimed for unemployment compensation rose sharply from June.**
- **Unadjusted unemployment rates rose in 46 of Pennsylvania's 67 counties, fell in 16.**
- **Eleven of Pennsylvania's fifteen major labor market areas had higher seasonally adjusted unemployment rates than in June.**

### Special Interest Topic: State UC Trust Fund

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LABOR MARKET INFORMATION

Commonwealth of Pennsylvania

Robert P. Casey, Governor

Department of Labor and Industry

Bureau of Research and Statistics

# COMMONWEALTH OF PENNSYLVANIA
# DEPARTMENT OF LABOR AND INDUSTRY
# BUREAU OF RESEARCH AND STATISTICS

## Pennsylvania's Labor Force . . . A Monthly Statistical Analysis

is published monthly by the Bureau of Research and Statistics.
Focusing on economic information and analysis, the publication is intended for a variety of users from business leaders, government administrators and planners to the general public.


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Inquiries can also be directed to Labor Market Analysts located throughout Pennsylvania.

The following is a list of Analysts and the counties they serve.

| Analyst | Phone Number | Counties Served |
|---|---|---|
| Edward Murray | (215)560-1977<br>Philadelphia | Bucks, Chester, Delaware, Montgomery, Philadelphia Counties in PA; Burlington, Camden, and Gloucester Counties in NJ |
| Kenneth Shockley | (215)378-4314<br>Reading | Carbon, Lehigh, Northampton, Pike, Wayne, Schuylkill, Berks Counties in PA; Warren County, NJ |
| James Mowad | (717)963-3443<br>Scranton | Columbia, Lackawanna, Luzerne, Monroe, Wyoming, Sullivan, Susquehanna, Bradford, Tioga |
| Fred Schneider<br>Larry Baugher | (717)771-1272<br>York | Cumberland, Dauphin, Lebanon, Perry, Lancaster, Adams, York, Franklin, Fulton |
| Glenn Lynn | (717)327-3504<br>Williamsport | Centre, Lycoming, Potter, Juniata, Mifflin, Clinton, Montour, Northumberland, Snyder, Union |
| William Findley<br>Debra Nicholson | (814)533-2213<br>Johnstown | Blair, Cambria, Somerset, Bedford, Clearfield, Jefferson, Huntingdon, Elk, Cameron, Greene |
| William Ceriani<br>Roberta Wilson | (412)565-5350<br>Pittsburgh | Beaver, Allegheny, Fayette, Washington, Westmoreland, Butler, Indiana, Armstrong, Lawrence |
| Carol Patterson | (814)871-4298<br>Erie | Erie, Mercer, McKean, Clarion, Crawford, Forest, Venango, Warren |

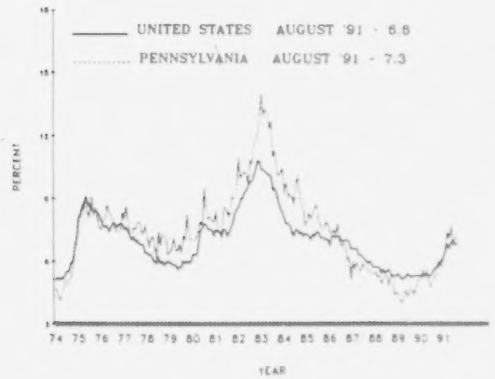
# CURRENT LABOR FORCE SITUATION

**UNEMPLOYMENT EDGED** higher in August as the apparent economic recovery continued to elude the job market. The statewide seasonally adjusted rate of unemployment rose to 7.3 percent in August from 7.0 percent in July. The nation's rate was 6.8 percent in August, unchanged from July.

Data, made available through the Current Population Survey of households and released by the U.S. Department of Labor's Bureau of Labor Statistics, show August's unemployment in Pennsylvania, adjusted for seasonality, up 15,000 to 433,000. The August jobless count and 7.3 percent rate of unemployment were virtually unchanged from March of this year, despite significant fluctuation during the intervening months. Compared to one year ago, the jobless rate was up substantially from 5.1 percent in August 1990.

Employment, seasonally adjusted, was down 59,000 from July to 5,475,000 in August. Despite this sizeable over-the-month drop, employment remained 86,000 above the recession low in March. Employment has been climbing unevenly during the past five months, but has failed to lower unemployment, as noted above, due to a large increase in new jobseekers. The state's labor force swelled to an all-time high in May of this year. The relative strength of employment is emphasized by a comparison with the year-ago employment level which was only 37,000 higher at a time when the recession was just beginning.

UNITED STATES & PENNSYLVANIA
UNEMPLOYMENT RATES
(SEASONALLY ADJUSTED)




**RESIDENT CIVILIAN LABOR FORCE**
(in thousands)

| | AUG. 1991 | JUL. 1991 | AUG. 1990 | CHANGE FROM JUL. 1991 | CHANGE FROM AUG. 1990 |
|---|---|---|---|---|---|
| Civilian Labor Force | **5,950** | 6,051 | 5,877 | -101 | 73 |
| Employment | **5,566** | 5,625 | 5,624 | -59 | -58 |
| Unemployment | **384** | 426 | 253 | -42 | 131 |
| Rate of Unemp. | **6.5%** | 7.0% | 4.3% | -0.5 | 2.2 |
| SEASONALLY ADJUSTED | | | | | |
| Civilian Labor Force | **5,908** | 5,952 | 5,810 | -44 | 98 |
| Employment | **5,475** | 5,534 | 5,512 | -59 | -37 |
| Unemployment | **433** | 418 | 298 | 15 | 135 |
| Rate of Unemp. | **7.3%** | 7.0% | 5.1% | 0.3 | 2.2 |

The failure of unemployment to recede despite economic improvement, is no cause for alarm. Total unemployment is considered a lagging economic indicator and begins to improve only after an economic recovery is firmly established. The U.S. Commerce Department's Index of Leading Economic Indicators rose for the sixth consecutive month in July, a solid 1.2 percent increase from June, suggesting that recovery is underway. Most positive among the indicators were "orders for consumer goods," "durable goods orders backlog," and "plant and equipment orders." Strength in these areas bodes well for a healthy manufacturing sector. Improvement has appeared in Pennsylvania's factories which are working longer hours each week in response to higher demand. Continued improvement in demand should translate into higher employment during coming months.

# PENNSYLVANIA'S JOBS

## ESTABLISHMENT EMPLOYMENT
(in thousands)

| | AUG. 1991 AP/ | JUL. 1991 P/ | JUN. 1991 | JUL. 1990 | CHANGE FROM JUN 1991 | CHANGE FROM JUL. 1990 |
|---|---|---|---|---|---|---|
| NONFARM WAGE AND SALARY JOBS | 5,126.9 | 5,120.7 | 5,168.2 | 5,178.5 | -47.5 | -57.8 |
| GOODS-PRODUCING INDUSTRIES | 1,236.8 | 1,226.9 | 1,230.3 | 1,289.0 | -3.4 | -62.1 |
| Mining | 27.2 | 26.4 | 26.4 | 28.1 | 0.0 | -1.7 |
| Construction | 236.0 | 234.7 | 229.3 | 247.7 | 5.4 | -13.0 |
| Manufacturing | 973.6 | 965.8 | 974.6 | 1,013.2 | -8.8 | -47.4 |
| Durable Goods | 541.9 | 539.7 | 544.5 | 575.5 | -4.8 | -35.8 |
| Lumber and Wood | | 28.9 | 29.1 | 31.5 | -0.2 | -2.6 |
| Furniture and Fixtures | | 17.6 | 18.1 | 19.2 | -0.5 | -1.6 |
| Stone, Clay, and Glass | | 43.7 | 43.5 | 46.6 | 0.2 | -2.9 |
| Primary Metals | | 82.8 | 83.2 | 90.1 | -0.4 | -7.3 |
| Fabricated Metals | | 83.0 | 84.2 | 88.9 | -1.2 | -5.9 |
| Industrial Machinery | | 101.2 | 102.1 | 107.2 | -0.9 | -6.0 |
| Electric and Electronic Equipment | | 76.6 | 77.3 | 79.5 | -0.7 | -2.9 |
| Transportation Equipment | | 48.2 | 48.7 | 52.8 | -0.5 | -4.6 |
| Instruments and Related | | 37.6 | 37.8 | 39.6 | -0.2 | -2.0 |
| Miscellaneous Manufacturing | | 20.1 | 20.5 | 20.1 | -0.4 | 0.0 |
| Nondurable Goods | 431.7 | 426.1 | 430.1 | 437.7 | -4.0 | -11.6 |
| Food and Kindred | | 87.9 | 87.8 | 88.0 | 0.1 | -0.1 |
| Tobacco | | 1.1 | 1.1 | 1.1 | 0.0 | 0.0 |
| Textile Mill | | 26.2 | 26.6 | 27.8 | -0.4 | -1.6 |
| Apparel and Other Textiles | | 63.9 | 66.3 | 67.8 | -2.4 | -3.9 |
| Paper and Allied | | 39.8 | 39.9 | 40.7 | -0.1 | -0.9 |
| Printing and Publishing | | 83.2 | 83.6 | 85.5 | -0.4 | -2.3 |
| Chemicals and Allied | | 62.1 | 62.5 | 62.3 | -0.4 | -0.2 |
| Petroleum and Coal | | 12.0 | 11.8 | 11.7 | 0.2 | 0.3 |
| Rubber and Plastics | | 42.0 | 42.1 | 43.3 | -0.1 | -1.3 |
| Leather | | 7.9 | 8.4 | 9.5 | -0.5 | -1.6 |
| SERVICE-PRODUCING INDUSTRIES | 3,889.0 | 3,892.5 | 3,937.6 | 3,888.3 | -45.1 | 4.2 |
| Transportation | 160.9 | 159.0 | 164.0 | 156.8 | -5.0 | 2.2 |
| Public Utilities | 104.0 | 105.4 | 105.2 | 106.2 | 0.2 | -0.8 |
| Communications | | 51.6 | 51.4 | 50.2 | 0.2 | 1.4 |
| Electric, Gas and Sanitary | | 53.8 | 53.8 | 56.0 | 0.0 | -2.2 |
| Wholesale Trade | 274.3 | 274.3 | 274.6 | 279.5 | -0.3 | -5.2 |
| Retail Trade | 904.7 | 902.8 | 905.5 | 902.4 | -2.7 | 0.4 |
| General Merchandise Stores | | 116.4 | 117.0 | 115.1 | -0.6 | 1.3 |
| Finance, Insurance and Real Estate | 304.9 | 304.8 | 303.5 | 304.0 | 1.3 | 0.8 |
| Finance | | 141.8 | 141.7 | 142.9 | 0.1 | -1.1 |
| Insurance | | 118.4 | 118.2 | 116.9 | 0.2 | 1.5 |
| Real Estate | | 44.6 | 43.6 | 44.2 | 1.0 | 0.4 |
| Services | 1,489.9 | 1,490.7 | 1,490.9 | 1,462.4 | -0.2 | 28.3 |
| Business | | 213.3 | 212.4 | 213.1 | 0.9 | 0.2 |
| Health | | 492.6 | 491.2 | 477.0 | 1.4 | 15.6 |
| Hospitals | | 265.6 | 264.0 | 256.5 | 1.6 | 9.1 |
| Legal | | 43.8 | 44.2 | 42.9 | -0.4 | 0.9 |
| Educational | | 133.3 | 143.7 | 132.2 | -10.4 | 1.1 |
| Social | | 108.9 | 108.9 | 104.1 | 0.0 | 4.8 |
| Other | | 498.8 | 490.5 | 493.1 | 8.3 | 5.7 |
| Government | 650.3 | 655.5 | 693.9 | 677.0 | -38.4 | -21.5 |
| Federal | | 136.5 | 136.8 | 147.0 | -0.3 | -10.5 |
| State | | 139.9 | 140.2 | 145.5 | -0.3 | -5.6 |
| Local | | 379.1 | 416.9 | 384.5 | -37.8 | -5.4 |
| PERSONS IN LABOR-MGMT. DISPUTES | 1.1 | 1.3 | 0.3 | 1.2 | 1.0 | 0.1 |

AP/ = Advance preliminary, based on early survey returns.
P/ = Preliminary data, used to compute "change from" columns.
**Note: Data not seasonally adjusted.**

**JOBS ROSE** seasonally in August by 6,200 to 5,126,900, according to advance preliminary data from the monthly survey of employer payrolls. The August total was 45,300 less than that of August 1990.

Goods-producing jobs increased by 9,900 in August but remained 57,800 less than a year ago. Manufacturing industries, especially nondurable goods, accounted for most of the recent rise. Service-producing jobs declined by 3,500 from July following the usual seasonal pattern as losses in government and services outweighed gains in retail trade and transportation. Service-producing jobs were 13,300 above August 1990.

**JOBS DECREASED** by 47,500 from June to July. This was the first drop in six months as nonagricultural payrolls dipped to 5,120,700. Although a June-to-July decrease is normal, this job loss was about 60 percent higher than usual for this time of the year. Both the goods-producing and service-producing sectors had fewer jobs in July than in June. Jobs were 57,800 below the July 1990 level.

The monthly nonfarm job count excludes farm workers, the self-employed, domestic workers and unpaid family workers.

Goods-producing industries provided 1,226,900 jobs in July -- down 3,400 from June but only half the normal seasonal slide. Construction jobs were up 5,400 in July, about three-fourths of the expected gain. At the same time, factory jobs were down 8,800, about two-thirds of the seasonal norm. Mining jobs were stable at 26,400. Goods-producing jobs were off 62,100 from July 1990.

After showing a slight resurgence in June, July's manufacturing jobs were at their third record low in four months. Employers will be slow to hire workers until they are sure the economic recovery is fully underway. For the short-term, it is cheaper to extend the workweek rather than hire and train new people which would be cost-prohibitive if they would have to be furloughed after brief employment. Confidence in the economy on the part of management will have to return before wide-scale new hiring occurs. Lean inventories will hasten the addition of these new jobs somewhat. Although both durable and nondurable goods industries lost jobs, each sector performed better than expected. Manufacturing jobs are down 47,400 since July 1990 -- about three-quarters of this in durables and one-quarter in nondurables.

Service-producing industries lost 45,100 jobs from June to July. This was about twice the seasonal norm. Much heavier than expected losses in local government were the main source of this decline. A record job level in finance, insurance and real estate and near record level in services helped ease the sting. Further job improvement as the economy recovers, should be led by gains in health care, some business services and the nondurable segment of retail trade. The number of service-producing jobs was up 4,200 from July 1990 to July 1991.


## EMPLOYERS

Looking for workers for employe training that's specific to your business? Then you're looking for the Pennsylvania Job Center near you; where employers find the employes they need, and workers find the jobs they want.

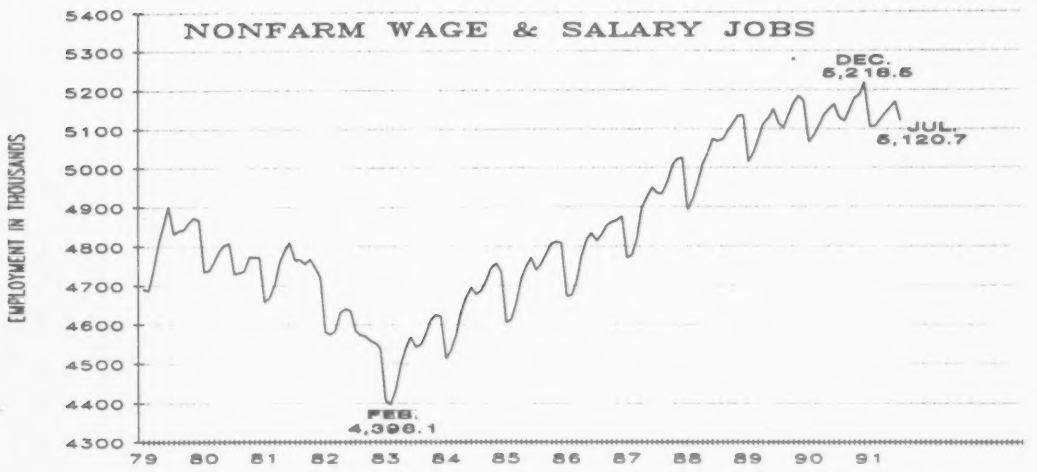
For a working future, this is the place.

For the Job Center near you call:

**1-800-622-JOBS**

# ESTABLISHMENT EMPLOYMENT

## in Pennsylvania



MONTH AND YEAR

# ESTABLISHMENT PRODUCTION WORKERS' HOURS AND EARNINGS

| | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| GOODS-PRODUCING INDUSTRIES | JUL. 1991 P/ | JUN. 1991 | JUL. 1990 | JUL. 1991 P/ | JUN. 1991 | JUL. 1990 | JUL. 1991 P/ | JUN. 1991 | JUL. 1990 |
| Coal Mining | $702.35 | $723.80 | $691.82 | 42.8 | 44.0 | 42.6 | $16.41 | $16.45 | $16.24 |
| Nonmetallic Minerals | 537.49 | 545.46 | 502.64 | 45.9 | 46.7 | 44.6 | 11.71 | 11.68 | 11.27 |
| Manufacturing | 463.45 | 463.32 | 450.84 | 40.3 | 40.5 | 40.8 | 11.50 | 11.44 | 11.05 |
| Durable Goods | 498.54 | 500.91 | 488.88 | 41.1 | 41.5 | 42.0 | 12.13 | 12.07 | 11.64 |
| Lumber and Wood | 374.14 | 381.64 | 362.98 | 39.3 | 40.3 | 39.8 | 9.52 | 9.47 | 9.12 |
| Furniture and Fixtures | 399.02 | 395.11 | 371.85 | 40.8 | 40.4 | 40.2 | 9.78 | 9.78 | 9.25 |
| Stone, Clay, and Glass | 486.21 | 500.41 | 480.53 | 41.1 | 42.3 | 42.3 | 11.83 | 11.83 | 11.36 |
| Primary Metals | 579.93 | 582.34 | 579.86 | 42.3 | 42.6 | 43.5 | 13.71 | 13.67 | 13.33 |
| Fabricated Metals | 469.12 | 474.96 | 459.95 | 40.9 | 41.7 | 41.7 | 11.47 | 11.39 | 11.03 |
| Industrial Machinery | 517.92 | 525.00 | 512.40 | 41.5 | 42.0 | 42.7 | 12.48 | 12.50 | 12.00 |
| Electric and Electronic Equipment | 464.12 | 469.13 | 455.76 | 41.0 | 41.7 | 42.2 | 11.32 | 11.25 | 10.80 |
| Transportation Equipment | 586.92 | 570.84 | 554.86 | 40.9 | 40.2 | 41.5 | 14.35 | 14.20 | 13.37 |
| Instruments and Related | 479.81 | 477.41 | 473.30 | 40.8 | 40.7 | 41.7 | 11.76 | 11.73 | 11.35 |
| Miscellaneous Manufacturing | 443.87 | 457.20 | 426.70 | 38.8 | 40.0 | 39.4 | 11.44 | 11.43 | 10.83 |
| Nondurable Goods | 419.72 | 414.85 | 401.02 | 39.3 | 39.1 | 39.2 | 10.68 | 10.61 | 10.23 |
| Food and Kindred | 452.53 | 454.40 | 445.72 | 39.8 | 40.0 | 40.3 | 11.37 | 11.36 | 11.06 |
| Tobacco | 275.49 | 285.07 | 279.60 | 39.3 | 40.9 | 40.0 | 7.01 | 6.97 | 6.99 |
| Textile Mill | 321.02 | 324.53 | 307.67 | 38.4 | 39.1 | 38.7 | 8.36 | 8.30 | 7.95 |
| Apparel and Other Textiles | 254.54 | 241.14 | 233.91 | 35.6 | 34.4 | 34.5 | 7.15 | 7.01 | 6.78 |
| Paper and Allied | 509.92 | 503.02 | 500.98 | 42.6 | 42.2 | 43.3 | 11.97 | 11.92 | 11.57 |
| Printing and Publishing | 450.72 | 444.95 | 441.22 | 38.1 | 37.9 | 38.4 | 11.83 | 11.74 | 11.49 |
| Chemicals and Allied | 595.19 | 577.58 | 558.78 | 43.7 | 42.5 | 42.3 | 13.62 | 13.59 | 13.21 |
| Petroleum and Coal | 717.44 | 743.74 | 641.34 | 44.7 | 46.6 | 42.0 | 16.05 | 15.96 | 15.27 |
| Rubber and Plastics | 406.53 | 415.14 | 406.55 | 39.7 | 40.7 | 41.4 | 10.24 | 10.20 | 9.82 |
| Leather | 278.54 | 290.51 | 254.25 | 38.0 | 39.1 | 37.5 | 7.33 | 7.43 | 6.78 |
| SERVICE-PRODUCING INDUSTRIES | | | | | | | | | |
| Communications | 600.90 | 571.91 | 599.08 | 39.3 | 37.7 | 42.1 | 15.29 | 15.17 | 14.23 |
| Electric, Gas, and Sanitary | 722.46 | 708.53 | 684.34 | 42.8 | 42.3 | 42.4 | 16.88 | 16.75 | 16.14 |

P/ = Preliminary data.
**Note: Data not seasonally adjusted.**

**RECORD HIGH** average pay was earned by Pennsylvania's factory production workers in July. At $463.45, July's average weekly earnings were 13 cents higher than the previous apex which was reached in June. A gain of six cents in average hourly pay was just enough to overcome a loss of 0.2 of an hour in the average workweek. Earnings for this July were up $12.61 from one year earlier. An increase of 45 cents in average hourly pay was partially negated by a decrease of one-half of an hour in the average workweek.

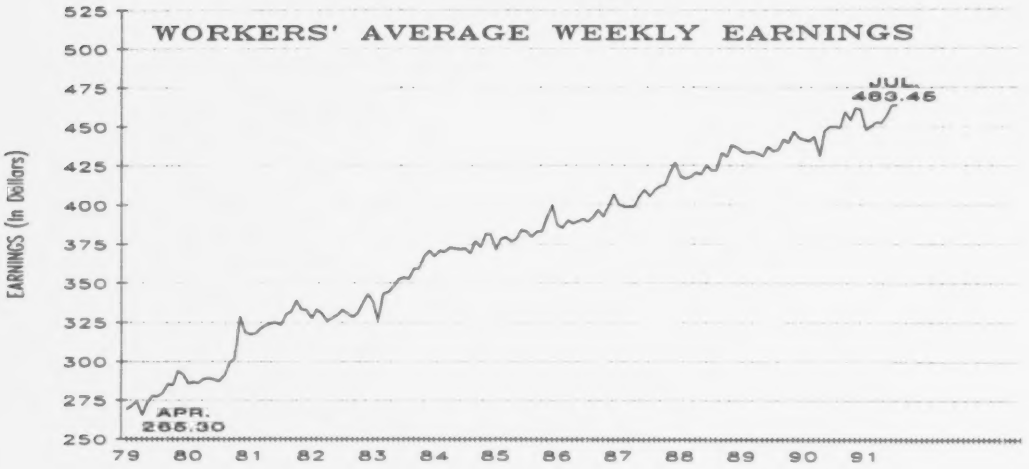
Pennsylvania's economy continues to send mixed signals. If the recession has ended, workweeks should begin to increase, but the average manufacturing workweek decreased by 0.2 of an hour to 40.3 hours in July. At the same time, fewer factory workers than normal were laid off in July, supporting a suspected firming trend.

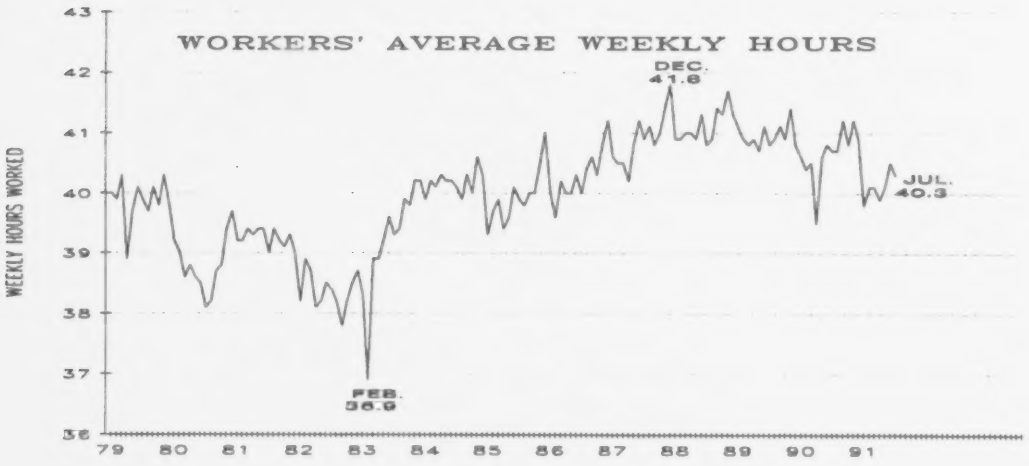
Workers in nondurable goods industries worked an average of 39.3 hours during the middle week of July -- up 0.2 hour from this June and 0.1 hour from July 1990. This was the longest "soft" goods workweek since December 1990. Apparel and printing and publishing, which together account for over a third of the jobs in nondurable goods industries, recorded substantial hours gains to support this increase in the workweek. Only two other soft goods industries (chemicals and petroleum products) worked a longer workweek in July than in June.

Meanwhile, average durable or "hard" goods hours were down 0.4 hour from June to 41.1 in July. Seven of the ten hard goods industries averaged fewer hours in July than they did in June, but eight of the ten industries had July averages in excess of 40 hours. The durable goods average workweek was 42.0 hours in July 1990. A large increase in durable goods orders this July bodes well for the future. It is likely that first hours, then jobs, will increase in this sector.

# MANUFACTURING PRODUCTION

## in Pennsylvania



MONTH AND YEAR

# UNEMPLOYMENT COMPENSATION

## REGULAR PROGRAM ACTIVITY

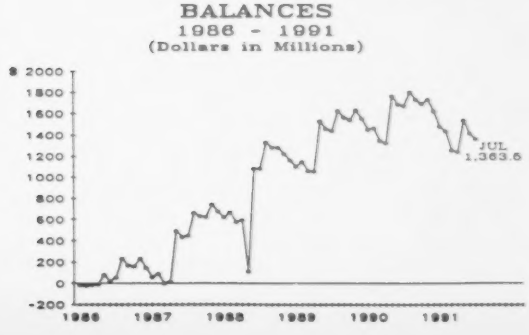
| | JUL. 1991 | JUN. 1991 | JUL. 1990 | CHANGE FROM JUN. 1991 | CHANGE FROM JUL. 1990 |
|---|---|---|---|---|---|
| CLAIMS ACTIVITY | | | | | |
| Initial Claims | **123,194** | 97,940 | 106,487 | 25,254 | 16,707 |
| Weeks Claimed | **911,999** | 749,118 | 649,433 | 162,881 | 262,566 |
| ...Average Weekly Volume | **198,261** | 187,280 | 147,598 | 10,981 | 50,663 |
| Insured Unemployment Rate | **4.1%** | 3.8% | 3.0% | 0.3 | 1.1 |
| PAYMENT ACTIVITY | | | | | |
| First Payments | **47,622** | 34,364 | 41,465 | 13,258 | 6,157 |
| Final Payments | **18,178** | 12,818 | 10,153 | 5,360 | 8,025 |
| Weeks Paid | **761,214** | 710,015 | 522,351 | 51,199 | 238,863 |
| Net Benefit Amount | **$137,161,674** | $130,223,297 | $88,988,521 | $6,938,377 | $48,173,153 |
| Average Check | **$180.19** | $183.41 | $170.36 | -$3.22 | $9.83 |

**CLAIMS SURGED** seasonally during July. Initial claims jumped by 25,254 or 26 percent from June and weeks claimed by 162,881 or 22 percent. Compared with July 1990, initial claims were up by 16 percent and weeks claimed by 40 percent. July's initial claims were the most since January and weeks claimed the highest since April. The insured unemployment rate increased to 4.1 percent in July from 3.8 percent in June.

First payments increased by 13,258 or 39 percent from June to 47,622 in July and were 6,157 higher than during July 1990. From January through July 1991, they totalled 374,013, compared to 292,214 during the same period in 1990, a 28 percent increase. Final payments were 18,178 in July -- their highest monthly total in 1991 -- 5,360 more than in June 1991 and 8,025 higher than in July 1990. For the first seven months of 1991, final payments totalled 92,886, a 52 percent jump from the 61,054 registered during the same time period in 1990.

The average check fell $3.22 to $180.19 in July. Weeks paid, at 761,214 were 51,199 higher than in June and 238,863 more than a year ago. The net benefit total for July of $137 million was nearly $7 million more than in June and the highest July amount since 1982. Disbursements from the Unemployment Compensation Trust Fund exceeded income by $54 million and reduced cash reserves to $1.36 billion, $304 million below the July 31, 1990 balance.

## UNEMPLOYMENT COMPENSATION TRUST FUND ACTIVITY



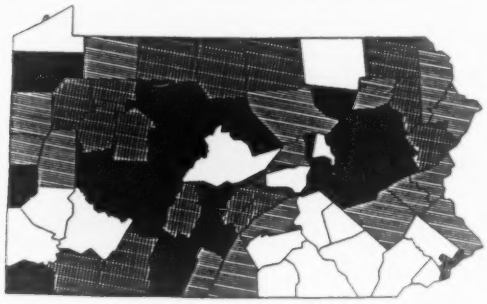

| JULY 1991 | | |
|---|---|---|
| Income | $ | 83,250,788 |
| Disbursements | $ | 137,158,252 |
| Cash Reserves | $ | 1,363,450,079 |

# UNEMPLOYMENT ... A GEOGRAPHIC VIEW

**HIGHER UNEMPLOYMENT** rates were posted in 46 of Pennsylvania's 67 counties from June to July. The unadjusted unemployment rates were down in 16 counties and unchanged in the other five. The largest decrease, 1.6 percentage points, took place in Blair County where 1,000 more workers employed in July translated directly into 1,000 fewer unemployed. A recall of 600 rail workers occurred in Blair County. Cameron County recorded the largest over-the-month increase, 4.4 percentage points. This was the result of the inability of the local economy to expand enough to absorb 200 new jobseekers. Larger than expected decreases in noneducational local government jobs were a major factor in rate increases in many counties.

At 4.8 percent, Chester County had the lowest unemployment rate for the twelfth consecutive month. The highest rate, 13.2 percent, was recorded in Huntingdon County, reflecting a broad-based loss of jobs.

All of Pennsylvania's counties except Snyder had higher July unemployment rates in 1991 than in 1990. Snyder County's rate was 5.9 percent in both years. Huntingdon County experienced the largest over-the-year rate gain with a jump of 5.5 percentage points.




## COUNTY UNEMPLOYMENT RANKING

| | JULY 1991 P/ RANK | RATE | VOLUME | JUNE RATE | DIFF. |
|---|---|---|---|---|---|
| Chester | 1 | 4.8 | 9,800 | 4.3 | 0.5 |
| Cumberland | 2 | 4.9 | 5,700 | 4.7 | 0.2 |
| Lancaster | 3 | 5.0 | 11,600 | 5.1 | -0.1 |
| Montgomery | 4 | 5.1 | 20,300 | 4.9 | 0.2 |
| Allegheny | 5 | 5.3 | 36,100 | 5.1 | 0.2 |
| Dauphin | 6 | 5.6 | 7,900 | 5.1 | 0.5 |
| Delaware | 7 | 5.7 | 16,800 | 5.4 | 0.3 |
| Lebanon | 7 | 5.7 | 3,800 | 5.6 | 0.1 |
| Adams | 9 | 5.8 | 2,400 | 6.0 | -0.2 |
| Snyder | 10 | 5.9 | 1,100 | 6.0 | -0.1 |
| Centre | 11 | 6.1 | 4,200 | 6.0 | 0.1 |
| York | 12 | 6.3 | 11,900 | 6.1 | 0.2 |
| Washington | 13 | 6.5 | 6,300 | 7.0 | -0.5 |
| Bradford | 14 | 6.6 | 2,100 | 6.6 | 0.0 |
| Westmoreland | 15 | 6.7 | 12,300 | 6.6 | 0.1 |
| Erie | 16 | 6.8 | 9,400 | 6.6 | 0.2 |
| Montour | 16 | 6.8 | 600 | 6.2 | 0.6 |
| Berks | 18 | 6.9 | 12,200 | 6.7 | 0.2 |
| Warren | 18 | 6.9 | 1,600 | 6.9 | 0.0 |
| Butler | 20 | 7.0 | 5,500 | 6.7 | 0.3 |
| Lehigh | 20 | 7.0 | 10,900 | 6.7 | 0.3 |
| Bucks | 22 | 7.1 | 22,100 | 7.0 | 0.1 |
| Franklin | 22 | 7.1 | 4,400 | 6.7 | 0.4 |
| Perry | 22 | 7.1 | 1,600 | 6.7 | 0.4 |
| Fulton | 25 | 7.2 | 500 | 6.7 | 0.5 |
| Northampton | 25 | 7.2 | 8,800 | 6.6 | 0.6 |
| Lawrence | 27 | 7.3 | 3,600 | 6.6 | 0.7 |
| Mercer | 27 | 7.3 | 3,900 | 6.5 | 0.8 |
| Wayne | 27 | 7.3 | 1,700 | 7.4 | -0.1 |
| Pike | 30 | 7.4 | 1,100 | 8.2 | -0.8 |
| Union | 31 | 7.5 | 1,300 | 7.7 | -0.2 |
| Lycoming | 32 | 7.7 | 4,700 | 7.9 | -0.2 |
| Wyoming | 32 | 7.7 | 1,000 | 7.9 | -0.2 |
| Potter | 34 | 7.9 | 700 | 7.9 | 0.0 |
| Monroe | 35 | 8.1 | 4,100 | 8.0 | 0.1 |
| Venango | 36 | 8.2 | 2,100 | 8.0 | 0.2 |
| Jefferson | 37 | 8.3 | 1,700 | 8.4 | -0.1 |
| Susquehanna | 38 | 8.4 | 1,500 | 8.6 | -0.2 |
| Tioga | 38 | 8.4 | 1,600 | 7.4 | 1.0 |
| McKean | 40 | 8.5 | 1,800 | 7.8 | 0.7 |
| Philadelphia | 40 | 8.5 | 63,700 | 8.0 | 0.5 |
| Fayette | 42 | 8.6 | 5,300 | 8.6 | 0.0 |
| Blair | 43 | 8.7 | 5,500 | 10.3 | -1.6 |
| Clarion | 43 | 8.7 | 1,500 | 8.7 | 0.0 |
| Juniata | 45 | 8.8 | 900 | 9.4 | -0.6 |
| Somerset | 45 | 8.8 | 3,000 | 8.2 | 0.6 |
| Mifflin | 47 | 8.9 | 2,000 | 9.8 | -0.9 |
| Forest | 48 | 9.0 | 200 | 7.9 | 1.1 |
| Lackawanna | 48 | 9.0 | 10,200 | 8.0 | 1.0 |
| Cambria | 50 | 9.1 | 6,100 | 9.3 | -0.2 |
| Crawford | 50 | 9.1 | 3,700 | 8.9 | 0.2 |
| Sullivan | 50 | 9.1 | 300 | 9.0 | 0.1 |
| Columbia | 53 | 9.3 | 3,100 | 7.9 | 1.4 |
| Luzerne | 53 | 9.3 | 15,400 | 8.7 | 0.6 |
| Clinton | 55 | 9.5 | 1,500 | 10.1 | -0.6 |
| Beaver | 56 | 10.1 | 6,200 | 9.1 | 1.0 |
| Armstrong | 57 | 10.2 | 3,000 | 9.9 | 0.3 |
| Schuylkill | 58 | 10.7 | 8,100 | 9.5 | 1.2 |
| Elk | 59 | 10.8 | 2,000 | 9.8 | 1.0 |
| Bedford | 60 | 10.9 | 2,500 | 9.5 | 1.4 |
| Carbon | 61 | 11.4 | 3,100 | 9.2 | 2.2 |
| Northumberland | 62 | 11.5 | 5,800 | 9.8 | 1.7 |
| Clearfield | 63 | 11.7 | 4,200 | 10.7 | 1.0 |
| Indiana | 64 | 11.8 | 4,200 | 11.2 | 0.6 |
| Greene | 65 | 12.4 | 1,700 | 12.0 | 0.4 |
| Cameron | 66 | 12.5 | 400 | 8.1 | 4.4 |
| Huntingdon | 67 | 13.2 | 2,400 | 11.0 | 2.2 |

P/ = Preliminary data.
**Note: Data not seasonally adjusted.**

## MAJOR LABOR MARKET AREA UNEMPLOYMENT
(in thousands)

| | JUL. 1991 P/ | | JUN. 1991 | | JUL. 1990 | |
|---|---|---|---|---|---|---|
| | VOLUME | RATE | VOLUME | RATE | VOLUME | RATE |
| United States | 8,501.0 | 6.8% | 8,745.0 | 7.0% | 6,827.0 | 5.5% |
| Pennsylvania | 418.0 | 7.0 | 397.0 | 6.7 | 301.0 | 5.1 |
| Labor Market Area | | | | | | |
| Allentown-Bethlehem MSA | 24.5 | 7.1 | 23.8 | 6.9 | 17.1 | 5.1 |
| Altoona MSA | 5.4 | 8.7 | 6.4 | 10.2 | 4.7 | 7.6 |
| Beaver County PMSA | 6.0 | 9.9 | 5.7 | 9.5 | 4.2 | 7.1 |
| Erie MSA | 9.5 | 6.9 | 9.0 | 6.6 | 6.9 | 5.1 |
| Harrisburg-Lebanon-Carlisle MSA | 18.8 | 5.6 | 17.3 | 5.2 | 13.3 | 4.0 |
| Johnstown MSA | 8.8 | 8.9 | 9.1 | 9.1 | 7.0 | 7.2 |
| Lancaster MSA | 11.0 | 4.8 | 11.4 | 5.0 | 9.0 | 4.0 |
| Philadelphia PMSA | 162.2 | 6.6 | 155.6 | 6.3 | 108.9 | 4.5 |
| Pittsburgh PMSA | 59.7 | 6.0 | 58.8 | 5.9 | 44.2 | 4.5 |
| Reading MSA | 12.0 | 6.8 | 11.8 | 6.7 | 8.7 | 5.0 |
| Scranton--Wilkes-Barre MSA | 32.0 | 8.7 | 30.7 | 8.3 | 23.4 | 6.5 |
| Sharon MSA | 3.8 | 7.2 | 3.5 | 6.7 | 2.6 | 5.0 |
| State College MSA | 4.2 | 6.1 | 4.1 | 6.0 | 3.6 | 5.3 |
| Williamsport MSA | 5.0 | 8.3 | 5.0 | 8.4 | 3.5 | 5.9 |
| York MSA | 14.3 | 6.3 | 13.8 | 6.1 | 10.6 | 4.8 |

P/ = Preliminary data.
**Note: Data are seasonally adjusted.**

**UNEMPLOYMENT RATES** increased during July in eleven of Pennsylvania's fifteen major labor market areas and declined in the other four. Seasonally adjusted rates ranged from a low of 4.8 percent in the Lancaster Metropolitan Statistical Area (MSA) to a high of 9.9 percent in the Beaver County Primary Metropolitan Statistical Area (PMSA). Both of these rankings have been the norm for the past several months. The Lancaster MSA, with its well diversified economy, usually has the lowest ranking while the Beaver County PMSA, which is still suffering the after-effects of the collapse of its steel industry in the early 1980s, usually has the highest.

The largest over-the-month rate decrease occurred in the Altoona MSA where the recall of 600 rail workers who were on a one-month furlough triggered a rate decrease of 1.5 percentage points. The greatest monthly rate increase was 0.5 percentage point in the Sharon MSA. Several temporary shutdowns in manufacturing and fewer jobs in local government were key here.

All fifteen major Pennsylvania labor market areas had higher unemployment rates this July than in July 1990. The smallest increase was 0.8 percentage point in the Lancaster and State College MSAs. The biggest gain, 2.8 percentage points, was recorded in the Beaver County PMSA.

## SERVICE DELIVERY AREAS

Unemployment rates, not seasonally adjusted, for Service Delivery Areas (SDAs) ranged from a low of 4.8 percent in SDA 21 to a high of 10.9 percent in SDA 29. All but three of the 28 Pennsylvania SDAs had higher unemployment rates in July than in June.

# SERVICE DELIVERY AREA LABOR FORCE
(in thousands)

| SDA NO. | COUNTIES | JULY 1991 P/ LABOR FORCE | EMP. | UNEMPLOYMENT VOLUME | RATE |
|---|---|---|---|---|---|
| 01 | Erie | 138.5 | 129.2 | 9.4 | 6.8 |
| 02 | Clarion, Crawford, Forest, Venango, Warren | 108.6 | 99.6 | 9.1 | 8.3 |
| 03 | City of Pittsburgh | 178.7 | 168.9 | 9.8 | 5.5 |
| 04 | Allegheny County minus City of Pittsburgh | 501.9 | 475.6 | 26.2 | 5.2 |
| 05 | Beaver | 61.5 | 55.3 | 6.2 | 10.1 |
| 06 | Armstrong, Butler, Indiana | 144.1 | 131.4 | 12.7 | 8.8 |
| 07 | Fayette, Westmoreland | 242.4 | 224.9 | 17.5 | 7.2 |
| 08 | Greene, Washington | 110.3 | 102.3 | 8.0 | 7.3 |
| 09 | Cameron, Clearfield, Elk, Jefferson, McKean, Potter | 107.4 | 96.7 | 10.7 | 10.0 |
| 10 | Bedford, Blair, Cambria, Fulton, Huntingdon, Somerset | 213.9 | 193.8 | 20.1 | 9.4 |
| 11 | Centre, Clinton, Columbia, Lycoming, Mifflin, Snyder, Union | 236.0 | 218.2 | 17.8 | 7.6 |
| 13 | Bradford, Sullivan, Susquehanna, Tioga, Wyoming | 86.6 | 80.0 | 6.6 | 7.6 |
| 14 | Lackawanna | 113.3 | 103.1 | 10.2 | 9.0 |
| 15 | Carbon, Monroe, Pike, Wayne | 116.1 | 106.1 | 10.0 | 8.6 |
| 16 | Luzerne, Schuylkill | 240.6 | 217.1 | 23.5 | 9.8 |
| 17 | Philadelphia | 752.1 | 688.4 | 63.7 | 8.5 |
| 18 | Bucks | 309.0 | 286.9 | 22.1 | 7.1 |
| 19 | Montgomery | 394.9 | 374.6 | 20.3 | 5.1 |
| 20 | Delaware | 296.7 | 279.9 | 16.8 | 5.7 |
| 21 | Chester | 203.6 | 193.8 | 9.8 | 4.8 |
| 22 | Lehigh, Northampton | 277.4 | 257.7 | 19.7 | 7.1 |
| 23 | Berks | 177.4 | 165.2 | 12.2 | 6.9 |
| 24 | Cumberland, Dauphin, Juniata, Lebanon, Perry | 354.9 | 335.1 | 19.8 | 5.6 |
| 25 | Lancaster | 233.0 | 221.4 | 11.6 | 5.0 |
| 26 | York | 188.9 | 177.0 | 11.9 | 6.3 |
| 27 | Adams, Franklin | 102.6 | 95.9 | 6.7 | 6.6 |
| 28 | Lawrence, Mercer | 102.5 | 95.0 | 7.5 | 7.3 |
| 29 | Montour, Northumberland | 58.0 | 51.7 | 6.3 | 10.9 |
| | **PENNSYLVANIA - TOTAL** | 6051.0 | 5625.0 | 426.0 | 7.0 |

A Service Delivery Area is a geographical planning region defined by the Job Training Partnership Act (JTPA).

P/ = Preliminary data.

**Note: Data not seasonally adjusted.**

## SPECIAL INTEREST TOPIC

# STATUS OF STATE UC TRUST FUND IN 1991

| | Actual 1990 | Estimated 1991 | CHANGE $Mil. | CHANGE Percent |
|---|---|---|---|---|
| **UC Fund Contributions (Mil.)** | $1,132 | $1,111 | $-21 | -1.9% |
| **UC Fund Interest (Mil.)** | $145 | $119 | $-26 | -17.9% |
| **Total Revenue (Mil.)** | $1,277 | $1,230 | $-47 | -3.7% |
| **Regular Benefits (Mil.)** | $1,206 | $1,766 | $560 | 46.4% |
| **UC Fund Balance (Mil.)** | $1,621 | $1,085 | $-536 | -33.1% |
| **June 30 Solvency Trigger Percentage** | 179% | 122%1/ | | |

1/ Actual percentage ratio of 6/30/91 fund balance to average annual benefit cost for 3 years ending 6/30/91. Determines fund solvency measures to be activated for CY 1992.

A comparison of actual 1990 and estimated 1991 trust fund and related data are given above. For the first seven months of 1991, net regular benefits in the state unemployment compensation program totalled $1.09 billion -- almost as much as for all of 1990 and more than in all of 1989. During these same seven months, income to the trust fund -- employer contributions and interest on the fund balance -- totalled $835 million. The net result has been a reduction of the state trust fund balance from $1,621 million at the beginning of 1991 to $1,363 million on July 31. This balance is expected to drop further to $1,085 million by December 31, according to a July 1991 forecast for the rest of the year which projects benefits for August-December to be $672 million and fund income for the period to be $394 million. (Employer contributions taper off in the last half of each year because only the first $8,000 earned by each employe in a calendar year is taxable under UC law.)

Thus, 1991 will be the first year since 1983 -- when benefits were $1.7 billion; contributions, $1.1 billion; and fund interest, zero -- in which regular benefits exceeded contributions and fund interest. For 1991 through this July, there were 6.1 million UC benefit payments, 42 percent more than the 4.3 million payments during the same period of 1990. This reflects the impact of the recession which began in the summer of 1990.

A UC fund solvency trigger mechanism, enacted by the General Assembly in 1988 to prevent the UC fund from becoming too large or too small, will trigger on, for the first time, two tax measures for calendar year 1992. Estimated to be worth a total of $110 million, they are a 4 percent surcharge on employers' 1992 employment compensation taxes (estimated to yield $48 million) and a 0.05 percent tax on employes' wages (50 cents for each $1,000 of wages, estimated to yield $62 million). These measures are based on a 122 percent solvency trigger, calculated as of June 30, 1991. (See explanation in footnote of the table above.) This same 1988 law generated an estimated $1.5 billion in employer and employe tax savings and benefit restorations through 1991.

# TECHNICAL NOTES

## Civilian Labor Force Estimates

Civilian Labor Force - Estimated number of persons 16 years of age and over, employed or unemployed during week including 12th of month, distributed by place of residence.

Total Employed - Includes nonagricultural wage and salary workers, the self-employed, unpaid family workers, domestics, agricultural workers, and persons involved in labor disputes. Employment distributed by place of residence.

Total Unemployed - Estimated number of persons, by place of residence, who did not work during reference week and were looking for work, whether or not eligible for unemployment compensation. Includes those who did not work and were waiting to be called back to an old job or to report to a new job.

## Nonagricultural Wage and Salary Employment

Collection - Nonagricultural wage and salary employment as well as hours and earnings estimates based on monthly reports from sample of employers. Under cooperative arrangement with U.S. Bureau of Labor Statistics, the Bureau of Research & Statistics of the Pennsylvania Department of Labor & Industry, mails, edits, and processes reports, which are subsequently incorporated in national data.

Industrial Classification - Employer establishments classified by industry on basis of their principal product or service. The Standard Industrial Classification Manual (U.S. Office of Management and Budget, Washington, D.C., 1987) used for classification.

Nonagricultural Employment - A count of jobs by place of work. Includes persons on paid sick leave, paid holiday, or paid vacation. Excluded are persons laid off, on strike, or on unpaid vacation during entire reporting period. Proprietors, the self-employed, unpaid family workers, farm workers, and domestic workers also excluded. Government employment covers only civilian employes. Full-time teachers considered employed during the summer vacation period, whether or not paid in those months.

Benchmark Data - Employment estimates compared annually with complete count of employment, by industry. Where revisions necessary, monthly estimates adjusted to new benchmark. Following revisions to new benchmark, industry data projected forward to current month by use of sample trends. Basic source of benchmark information is tabulations of employment data, by industry and area, compiled from contribution reports of employers covered under Pennsylvania Unemployment Compensation Law.

## Hours and Earnings

Method of Computing Averages - Average hours computed by dividing total production worker hours worked during one week (the seven-day period which includes 12th of month) by number of production workers for week. Average hourly earnings computed by dividing total production worker payroll for one week by total production worker hours for week. Average weekly earnings derived by multiplying average hourly earnings by average weekly hours.

Definitions - Definitions of production or similar workers, payroll, and hours - from which average hours and earnings data are derived - follow:

Production Workers - Includes working supervisors and all nonsupervisory workers (including group leaders and trainees) engaged in fabricating, processing, assembling, inspection, receiving, storage, handling, packing, warehousing, shipping, maintenance, repair, janitorial and guard services, product development, auxiliary production for plant's own use (such as power plant), and record keeping and other services closely associated with production operations.

Payroll - Represents payroll for full- and part-time production, construction, or nonsupervisory workers who received pay for any part of pay periods which include 12th of month. Payroll is reported before deductions for Social Security, group insurance, withholding tax, bonds, and union dues; also includes pay for overtime, holidays, vacations, and sick leave paid directly by the firm.

Hours - Represents hours worked or paid, during pay periods which include 12th of month, for production, construction, or nonsupervisory workers. Hours include time paid for holidays and vacations, and for sick leave when pay received directly from firm.

## Unemployment Compensation

Initial Claims - Notices of unemployment filed to request a determination of entitlement to compensation in a new benefit year (period of eligibility) following a period of employment or to begin a second or subsequent period of eligibility within the benefit year following interim employment within the benefit year.

Weeks Claimed - Requests for benefits filed by claimants which certify to the fact the claimants experienced total, partial, or part-total unemployment for given weeks.

Average Weekly Claims - Total number of weeks claimed in a month divided by the number of weeks in the month.

Insured Unemployment Rate (IUR) - Ratio of the average weekly number of persons claiming unemployment compensation benefits within the given month to average annual covered employment. Calculated by dividing the month's average weekly continued weeks claimed by average annual covered employment. Average annual covered employment is estimated until six months after year's end due to a lag in reporting covered employment.

First Payment - First benefit check a claimant receives for a week of unemployment in a benefit year.

Weeks Paid - Weeks claimed which were paid to eligible claimants upon certification that unemployment compensation qualifying unemployment was experienced during given weeks.

Net Benefit Amount - Amount of regular unemployment compensation benefits paid to claimants, after adjusting for returned and redeposited benefit checks.

Income - Amount of funds deposited into the Unemployment Compensation Trust Fund for the current month including employer and employe contributions, transfers from other scurces such as the Special Administration Fund, redeposited unemployment compensation checks, federal benefit program reimbursements, loans, and interest earnings.

Disbursements - Amount of funds disbursed from the Unemployment Compensation Trust Fund for the current month including the payment of state unemployment compensation benefits, federal program benefits, refunds, and voluntary federal loan repayments.

Cash Reserves - Amount of funds available in the State's Unemployment Compensation Trust Fund available to pay unemployment compensation benefits.